

COASTAL CONSERVANCY

Staff Recommendation

October 1, 2015

ESTERO RANCH ACQUISITION

Project No. 15-005-01

Project Manager: Lisa Ames

RECOMMENDED ACTION: Authorization to disburse up to \$1,000,000 to The Wildlands Conservancy for the acquisition of the approximately 547-acre Estero Ranch property in southwestern Sonoma County for the purposes of habitat protection, public access and agricultural preservation.

LOCATION: 2000 Estero Lane, between Valley Ford and Bodega Bay in southwestern Sonoma County (Exhibit 1)

PROGRAM CATEGORY: S.F. Bay Area Conservancy Program

EXHIBITS

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [Project Photos](#)

Exhibit 3: [Upland Habitat Goals Biodiversity Portfolio Report](#)

Exhibit 4: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed \$1,000,000 (one million dollars) to The Wildlands Conservancy (“TWC”) to acquire the 547-acre Estero Ranch property (Sonoma County Assessor’s Parcel No. 100-160-002) for the purposes of habitat protection, public access and agricultural preservation.

1. Prior to the disbursement of any Conservancy funds, TWC shall submit for review and approval of the Executive Officer of the Conservancy (the “Executive Officer”) all relevant acquisition documents, including, without limitation, appraisals, environmental assessments, title reports, purchase agreements, escrow instructions and documents of title.
2. TWC shall pay no more than fair market value for the property, as established in an approved appraisal.

3. TWC shall permanently dedicate the property for the purposes of protecting open space and agriculture, restoring wildlife habitat, and public access, in a manner acceptable to the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign, the design and placement of which has been reviewed and approved by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
2. The proposed project is consistent with the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165.
3. TWC is a private nonprofit organization existing under section 501(c)(3) of the U.S. Internal Revenue Service, and its purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

Staff recommends the Conservancy authorize the disbursement of up to \$1,000,000 to The Wildlands Conservancy (“TWC”) to acquire the 547-acre Estero Ranch property to protect it from development and habitat fragmentation and to expand the California Coastal Trail and recreational use of the Estero Americano. The project will protect natural resource and wildlife habitats of one of the most biologically important areas on the North Coast, continue appropriate agricultural use, and provide public access to this historically privately-held section of the stunning Sonoma coast.

The property contains rare coastal prairie and estuarine habitats, is adjacent to and in close proximity to several protected lands and marine areas and provides for an extension and braiding of the California Coastal Trail. If acquired, it will provide a hiking experience of wild, coastal California with sweeping views of the Estero Americano, Point Reyes, Bodega Head, and Doran Beach with prime whale watching, wildflower, and wildlife observation opportunities. (Exhibit 2)

Estero Ranch has been identified as a significant property by three regional conservation planning efforts in the San Francisco Bay Area: The Bay Area Upland Habitat Goals Project and the Conservation Lands Network identify the property as located in an Area Essential to Conservation Goals as part of a key regional linkage (the “Bodega Bay Connection”). The Critical Linkages: Bay Area and Beyond Study identifies the property as crucial in insuring functional habitat connectivity by helping to complete the “Coast Range to Marin Coast” Bay Area Critical Linkage which runs north to south from Sonoma to Marin County and connects the Coast Range to the Marin Coast Range. (Exhibit 3)

Preservation of Estero Ranch has been a priority for the Sonoma Land Trust (“SLT”) since the early 1990’s, when, with the Coastal Conservancy’s support, SLT explored a conservation

easement with the landowners, and subsequently investigated the resource values and opportunities for future conservation in this region. SLT was not successful in acquiring a conservation easement from the landowner 25 years ago, but always maintained an interest in protecting the property. SLT has negotiated the purchase and sale of the property and is taking the necessary steps preliminary to the conveyance; however the intent is that the property will vest in TWC. TWC will manage the land and has committed funds for that purpose.

TWC owns and manages over 145,000 acres throughout California and has extensive experience balancing open space with the protection of sensitive natural resources, agricultural use, and public use. At their Wind Wolves Preserve in Kern County, TWC enjoys a partnership with livestock operators that preserves historic livestock grazing, protects sensitive habitat through thoughtful grazing practices, and affords the visiting public the opportunity to see working and highly productive agricultural land firsthand. TWC owns and manages two projects in which the Conservancy has participated - the Jenner Headlands in Sonoma County and the Eel River Estuary Preserve in Humboldt County.

Once the property is acquired, TWC will conduct resource assessments, develop ecological goals for the property, and develop a management plan within the first two years of ownership. TWC has committed to long-term staffing, maintenance and upkeep of the property.

Site Description:

Estero Ranch is a 547-acre coastal prairie property that flanks the Estero Americano and a ¾-mile stretch of the Pacific coastline (see Exhibit 1). The property includes a one mile section of the north side of the mouth of the Estero Americano estuary, which is part of the Gulf of the Farallones National Marine Sanctuary, and due to its diverse assemblage of wetland communities and estuarine habitats, is recognized by the California Department of Fish and Wildlife as one of the most significant habitat areas in the State.

The property, ranging in elevation from sea level to approximately 600 feet, bridges several protected lands and marine areas and provides for an extension and braiding of the California Coastal Trail. It provides a hiking experience of wild, coastal California with sweeping views of Point Reyes, Bodega Head, Doran Beach and prime whale watching, wildflower, and wildlife observation opportunities. The Estero Americano is currently used by kayakers and canoers with an informal put-in near the town of Valley Ford. Acquiring Estero Ranch would provide another opportunity, in addition to the Estero Preserve and Bordessa Ranch, for kayakers to pull out from the Estero, and enjoy the property prior to their paddle back up the Estero.

Bodega Harbour, a residential subdivision, is located to the northwest, and rural residential and large agricultural properties are located to the northeast. Vehicular access to the property is from Highway 1 and Estero Lane. Pedestrian access for hiking a future segment of the California Coastal Trail is from the Short Tail Gulch Trail, an accessway improved with Conservancy funding in 2003 and managed and maintained by Sonoma County Parks that runs from the beach along the southern edge of the subdivision. The property contains several dwellings, barns, associated outbuildings and an aquaculture facility that contains above-ground tanks and associated equipment. The property is bisected by a ranch road, has internal and perimeter fencing and developed wells and springs with associated infrastructure. The majority of the property is leased for grazing. There is a 12.8-acre leasehold located on the southern portion of

the property, which is used for an aquaculture operation. This is a long-term lease with remaining option terms of approximately 80 years. There are opportunities to work with the tenant practicing aquaculture to provide educational and scientific resources for local schools and universities in the future.

Water from the property runs into the Pacific Ocean and the Estero Americano via Shorttail gulch and several unnamed drainages. There are two seasonal ponds and one permanent stock pond which are fed by sheet flow from rain as well as from a developed spring located north of the pond. The ponds drain into Shorttail Gulch.

The Estero Americano is a stopover on the Pacific Flyway for migratory waterfowl, and shorebirds utilize wetlands as a sheltered feeding area. Snowy egrets use the estuary as a rookery and great blue herons have been observed feeding in the wetlands. Songbirds, bluebirds and meadow larks are frequently seen in the grassland and upland brushy areas. White-tailed deer, American badger dens, and bobcat have been seen on Estero Ranch. Red-tailed hawks, American kestrels and turkey vultures frequent the skies above. Brown pelicans, river otters and harbor seals feed in the Estero. Resident and migrating shorebirds leave their foot prints in the mud at low tide.

The Estero and adjacent lands provide potential rearing habitat for two federally-listed endangered fish species, the tidewater goby and winter-run steelhead trout. Other special-status species include the Northwestern pond turtle, Myrtle's silverspot butterfly, the California red-legged frog, and the tricolored blackbird. The California Department of Fish and Wildlife has identified the Estero Americano as containing some of the most significant habitat areas in the State because of these special-status species inhabitants (CDFG 2005 California Natural Diversity Database). The estuary also received critical habitat designation for steelhead trout by NOAA Fisheries Service (NOAA, 2005 "Endangered and Threatened Species; Designation of Critical Habitat for Seven Evolutionarily Significant Units of Pacific Salmon and Steelhead in California; Final Rule" (50 Code of Federal Regulations Part 226; Federal Register v. 70 no.170). The 2002 California Water Quality Assessment Report published by the State Water Resources Control Board listed the estuary and its main tributary, Americano Creek, as impaired water bodies due to nutrient pollution and sedimentation/siltation from agricultural uses.

The Bay Area Upland Habitat Goals Project and the Conservation Lands Network rate the property as an Area Essential to Conservation Goals as part of a key regional linkage (the "Bodega Bay Connection"). Acquisition of the property will help complete the "Coast Range to Marin Coast" Bay Area Critical Linkage which runs north to south from Sonoma to Marin County and connects the Coast Range to the Marin Coast Range. (Exhibit 3)

The parcel is both adjacent to and in close proximity to several protected lands and marine areas, including SLT's Estero Americano Preserve, Pinnacle Gulch and Doran Beach Regional Park, Bodega Head (Sonoma Coast State Beach), Bodega Marine Lab, the Gulf of the Farallones National Marine Sanctuary, Estero Americano State Marine Recreational Management Area, the University of California Bodega Marine Reserve and private property protected by Marin Agricultural Land Trust. Upstream on the Estero Americano, other completed conservation projects include Bordessa Ranch and Ilmorini Ranch.

Project History:

The Estero Ranch has been owned by the Bottarini family since 1954. Between 1919 and 1954, the property was owned by the Albini family and used as a dairy, with some hay cultivation of the land. The leasehold which is used for an aquaculture operation was developed in the 1980's.

Estero Ranch has been a priority for SLT since the early 1990's, when, with the Coastal Conservancy's support, SLT explored a conservation easement with the landowners, and subsequently investigated the resource values and opportunities for future conservation in this region. SLT was not successful in acquiring a conservation easement from the landowner 25 years ago, but always maintained an interest in protecting the property. In the interim, however, opportunities to protect land along the Estero Americano arose, and in 1996 and 2001, SLT acquired two parcels (Hepper and Dewar) that now constitute the Estero Americano Preserve. The Coastal Conservancy participated in these two acquisitions, with a total contribution of \$250,000. The Preserve was created for the purposes of protecting the coastal estuary, upland environments and other sensitive resources, allowing for restoration of habitat areas and providing limited public access. SLT completed a Resource Management Plan for the Preserve in 2007.

In March of 2014, the 547-acre Estero Ranch property was listed for sale on the open market for \$6,900,000. SLT contacted the Conservancy, TWC and other potential funders about this opportunity, and developed an acquisition strategy, and on October 1, 2014, SLT executed a Purchase Agreement for \$4,000,000. The obligation to purchase the property is subject to satisfaction of due diligence investigations (appraisal, Phase I environmental assessment, title review, and other standard investigations), and securing the necessary funding for the acquisition. SLT intends to assign the Purchase Agreement to TWC at close of escrow.

PROJECT FINANCING

Coastal Conservancy	\$1,000,000
Sonoma County Agricultural Preservation & Open Space District (pending)	\$2,000,000
Gordon and Betty Moore Foundation	<u>\$1,000,000</u>
Total Project Costs	\$4,000,000

In addition to securing the Moore Foundation and SCAPOSD funding for the acquisition, SLT is contributing the staff time, as well some of the transactional costs. TWC is contributing the staff time and sufficient private funding to be in a strong position to own and manage Estero Ranch. TWC will secure funds to conduct resource assessments and develop a management plan for the property within the first two years of ownership.

The proposed Conservancy funding source is FY 2010-2011 funds appropriated to the Conservancy from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), specifically for projects in the San Francisco Bay Area that drain directly to the ocean. This funding source may be used to carry out projects, like this one, pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code section 75060(c). Consistent with this chapter, the

proposed acquisition will protect and allow for future restoration of open-space resources and help to preserve the natural habitat values of lands in the southern Sonoma County that drain directly to the coast, as discussed in the next section below.

For acquisition projects that protect natural resources, Proposition 84 requires the Conservancy to give priority to projects that meet the criteria specified in Section 75071. The proposed acquisition satisfies three of the specified criteria: 1) the project will link to existing protected areas with other large blocks of protected habitat and serve to facilitate wildlife movement, botanical transfer, and result in sustainable, combined acreage; 2) the project will contribute to long-term protection of, and improvement to the water and biological quality of streams within a "priority watershed" as identified by the Resources Agency; and 3) the project is supported by non-state matching funds. As also required by Section 75071, Conservancy staff have submitted to the Resources Agency and have posted on the [Conservancy's website](#) an explanation as to how the proposed acquisition meets the criteria of that section.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with the provisions of Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165, which authorizes the Conservancy to award grants in the nine-county San Francisco Bay Area to help achieve stated goals. Specifically, the proposed project, located in coastal Sonoma County, supports the program goals as stated in more detail below.

Section 31162(a) authorizes the Conservancy to improve public access in a manner that is consistent with the rights of private property owners and will not have a significant adverse impact on agriculture, environmentally sensitive areas and wildlife. The proposed project will improve public access, has a willing seller, and will be sited and designed to avoid adverse impacts to agriculture, environmentally sensitive areas and wildlife (see the "Project Description" section, above, for additional information).

Section 31162(b) authorizes the Conservancy to award grants to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas and other open space resources of regional importance. The proposed acquisition project will protect and enhance the Estero Ranch property, which, combined with the surrounding natural areas, creates a regionally significant and scenic wildlife and habitat corridor in the Estero Americano watershed.

In addition, the project satisfies all of the five criteria for determining project priority under Section 31163(c), as follows: 1) the project is fully consistent with and supported by adopted local plans, including the *2020 Sonoma County General Plan* as described in the Consistency with Local Coastal Program Policies below; 2) the project serves a multi-jurisdictional constituency, since it will preserve open space and scenic areas for the enjoyment of both local residents and visitors who come from across the region and the nation to the Sonoma coastal area (see the discussion in the Conservancy Strategic Plan section, below); 3) the project can be implemented in a timely fashion: once funded, the acquisition is expected to occur within six months; 4) in the event the project is not implemented promptly, the opportunity for completion of the purchase of the property may be lost and potential development could occur; and 5) the

Conservancy funding for the acquisition is matched by local, state and private sources of funding.

CONSISTENCY WITH CONSERVANCY'S 2013

STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:

Consistent with **Goal 1, Objective E**, the project will secure property interests to facilitate the development of the California Coastal Trail.

Consistent with **Goal 2, Objective B**, the acquisition will open coastal areas that are currently closed to the public.

Consistent with **Goal 4, Objective A**, the proposed project will protect up to 547 acres of a significant coastal and watershed resource property.

Consistent with **Goal 4, Objective C**, the project will preserve and restore a fish and wildlife corridor between core habitat areas along the coast and from coastal to inland habitat areas.

Consistent with **Goal 5, Objective D**, the acquisition will preserve and enhance a portion of the Estero Americano coastal watershed and floodplain.

Consistent with **Goal 11, Objective B**, the proposed project will protect a wildlife corridor, scenic area and an open space resource of regional importance.

Consistent with **Goal 12, Objective C**, the proposed project will increase the amount of land accessible by the public.

CONSISTENCY WITH CONSERVANCY'S

PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 02, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:** The proposed project will implement the following recommendations of California Department of Fish and Wildlife's *California Wildlife: Conservation Challenges, The California Wildlife Action Plan, 2005*: (b), (n) and (o) in the North Coast Region and (d) and (g) of the statewide recommendations that respectively call to promote wildlife and habitat conservation; protect key habitat linkages and riparian communities; and, protect and restore under-protected habitat types. In

addition, the project will help implement California Department of Fish and Wildlife's. *Steelhead Restoration and Management Plan for California*, 1996.

4. **Support of the public:** TWC has received verbal support for the acquisition of Estero Ranch from numerous organizations, agencies, and community groups, as well as state, federal and local elected officials. Letters of support are included in Exhibit 4.
5. **Location:** The proposed project is located in Sonoma County, one of the nine Bay Area counties.
6. **Need:** If not protected, this parcel would likely be purchased and developed as a private estate, precluding any potential extension of the California Coastal Trail, and long-term opportunities to permanently protect, study and enhance the Estero Americano estuary. It would be a missed opportunity to protect this ecologically important property and expand upon existing regional conservation efforts as well as provide public access opportunities to this historically privately held section of the coast.
7. **Greater-than-local interest:** The Sonoma Coast, and its associated parks and protected lands, is a national destination visited by over 3 million people each year. From a recreational standpoint, the project will expand the existing recreational network located within and around the town of Bodega, including, Sonoma Coast State Beach, Doran Beach, Pinnacle Gulch, and other public trails located within Bodega Harbour subdivision. A braided coastal trail system on Estero Ranch will provide expanded access to wild, coastal California with views of Point Reyes, Bodega Head, Doran Beach and great whale watching, wildflower, and wildlife viewing opportunities. This acquisition will also create a new opportunity for a pull-out for kayakers and canoers who currently access the Estero Americano in Valley Ford.

From a resource perspective, Estero Americano is recognized as one of the most important biological areas on the North Coast by the California Department of Fish and Wildlife. This acquisition will, in tandem with the MALT protected lands to the south and the GFNMS' protection of the inlet waters, result in the complete protection of the mouth of the Estero Americano. In addition, the protected coastal uplands will expand the Conservation Lands Network's key regional linkage (the "Bodega Bay Connection") and will also increase the "Coast Range to Marin Coast" Bay Area Critical Linkage. These protected coastal uplands will provide wildlife with room to adapt to the effects of climate change.

8. **Sea level rise vulnerability:** This property provides a sanctuary of upland habitat that abruptly rises from the ocean and estuary below, and is protected from the direct impacts of sea-level rise.

Additional Criteria

9. **Urgency:** As described in the "Need" and "Project History" sections above, this property will succumb to development pressures unless the SLT is able to acquire the property as soon as possible.
10. **Resolution of more than one issue:** The project will prevent development and habitat fragmentation, preserve and enhance natural habitats for sensitive and endangered species and provide opportunities for public access and recreation.

11. **Leverage:** See the “Project Financing” section above.
12. **Readiness:** SLT has completed the appraisal, purchase agreement, site assessment, a Phase I environmental assessment, title review, and has received funding approval from the Gordon and Betty Moore Foundation. SCAPOSD expects to request funding approval from its board of directors in November, 2015.
13. **Vulnerability from climate change impacts other than sea level rise:** By protecting habitats for the rare species currently occupying the site, the project will be providing the greatest opportunity for resilience and successful adaptation to potential changes in climate. Regardless of the changes that might take place, acquiring the property and maintaining large, intact land areas will provide routes for species migration and ensure that wildlife and plants have options as they respond to the habitat changes that result from warming temperature.

With its diverse topographical and biological attributes, Estero Ranch meets many of the criteria that scientists are recommending be taken into account when targeting projects: it provides many upslope areas; it contributes to a large area with sufficient habitat diversity, topography, and habitat linkages to allow for the migration of species adjusting to changes in local climatic conditions; and it creates significant habitat linkages and prevents fragmentation.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed authorization is consistent with the Sonoma County Local Coastal Program (LCP) certified in 1981 and revised on August 3, 2001 in the following respects: In Section III. Environmental Resources: Valley Ford area, the marsh, riparian, and upland areas of the Estero Americano from the mouth to Valley Ford are defined as critical resource areas and are recommended for resource enhancement and protection. The acquisition and subsequent management planning will include provisions to protect the wetland areas from inappropriate cattle grazing and from development of the grassland areas as recommended in this section of the LCP. In Section V. Recreation: Access in Sonoma County: Estero Americano accessway development is a designated priority in the LCP’s Access Plan.

Protection of the Estero Ranch property and development of public access is consistent with the *2020 Sonoma County General Plan*, adopted in 2008: it is located in a Scenic Landscape Unit for the Sonoma Coast (Section 2.2); it is located within a designated Critical Habitat Area of coastal brackish marsh that is designated as Special-Status Species Habitat (Section 3.1); and it is identified as part of the Sonoma Coast Trail on the County’s designated plan for trails (Section 9.1).

Estero Ranch is identified as a Sensitive Natural Community and a Habitat Connectivity Corridor within a designated Biotic Habitat Area of coastal prairie. Section 3.1 of the General Plan states that “maintaining and improving opportunities for habitat connectivity throughout the County is essential for protecting biodiversity and sustaining native plant and animal populations”.

Section 9.1 of the General Plan includes the objective of establishing a countywide park and trail system that meets future recreational needs of the County's residents while protecting agricultural uses. The Plan specifically includes the property in the trail policy section

identifying the Sonoma Coast Trail: “The trail extends from Black Point southward to the Estero Americano, is consistent with California State Coastal Plan Policy 145 that calls for establishment of a coastal trail system statewide”.

COMPLIANCE WITH CEQA:

Acquisition of Estero Ranch is categorically exempt from the requirements of the California Environmental Quality Act under 14 Cal. Code of Regulations Section 15325 because it involves acquisition of interests in land for open space and wildlife habitat purposes, to preserve existing natural conditions and to allow public access and education use. Staff will file a Notice of Exemption upon approval of the project.